

Leidos Holdings, Inc.
Form 425
August 08, 2016

Filed by Leidos Holdings, Inc.

Pursuant to Rule 425 under the Securities Act of 1933, as amended

and deemed filed pursuant to Rule 14a-6

under the Securities Exchange Act of 1934, as amended

Subject Company: Leidos Holdings, Inc.

(Commission File No. 001-33072)

Computershare Transaction-Related Restrictions

(registered stockholders and/or equity award holders)

July 29, 2016

(updated August 6, 2016)

Background

In January 2016, Leidos signed an agreement to combine with the Information Systems & Global Solutions business of Lockheed Martin Corporation (the Transaction). In connection with the Transaction and subject to the closing of the Transaction, Leidos declared a special dividend of **\$13.64/share** on all shares of Leidos common stock outstanding as of the special dividend record date and will equitably adjust all outstanding stock options in order to preserve the intrinsic value of the stock options.

Special Dividend Key Dates

Declaration Date = **August 4, 2016**: Date on which the Board of Directors declared the special dividend and established the Record Date and Payable Date.

Record Date = **August 15, 2016**: Date on which the stockholders of record eligible to receive the dividend are determined.

Ex-Dividend Date = **August 17, 2016***: Date on which the stock is expected to start trading on the New York Stock Exchange without the right to the dividend and is the trading day immediately following the current anticipated closing date of the transaction. Stockholders of record on the Record Date who sell their shares prior to the Ex-Dividend Date will not receive the special dividend.

Payable Date = **August 22, 2016**, contingent upon the closing of the Transaction: Date the payment of the dividend is made to the stockholders of record on Record Date.

** date assumption based on current anticipated closing date of the Transaction*

Restriction Overview

In connection with this Transaction, Leidos has requested that our transfer agent and stock plan administrator, Computershare, implement certain blackouts and temporarily suspend certain programs in order to allow for the effective processing of the special dividend and the adjustment of outstanding stock options.

Schedule of Restrictions

Stockholders with Leidos common stock held through Computershare and Leidos equity award holders should plan for the following:

| System | Status | Begin Date | End Date | What does this mean? |
|-------------------------------|------------------|--------------------------------|---|---|
| Computershare selling program | Suspended | August 10, 2016 (4 p.m. ET) | <i>August 23, 2016*</i> (9:30 a.m. ET) | <p>You will not be able to sell Leidos common stock through Computershare (including shares obtained through the Employee Stock Purchase Plan).</p> <p>All unexecuted trading orders will be cancelled.</p> |
| Transfer of shares | Suspended | August 10, 2016 (4 p.m. ET) | <i>August 23, 2016*</i> (9:30 a.m. ET) | <p>You will not be able to transfer shares to or from a broker.</p> <p>Any pending transfer requests will be cancelled.</p> <p>Transfers within Computershare are permitted.</p> |
| Equity awards system | View Only | August 10, 2016 (4 p.m. ET) | <i>August 16, 2016*</i> (4 p.m. ET) | <p>You will be able to access and view your equity awards.</p> <p>You will not be able to exercise your stock options.</p> <p>Any pending cash or stock swap stock option exercises will be cancelled.</p> <p>Any pending cashless hold exercises of stock options submitted prior to the beginning of the restriction will be finalized.</p> |
| Equity awards system | Blackout | | <i>August 22, 2016</i> | |

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August 16, (9:30 a.m. ET)
2016*

You will not be able to
access or view your equity
award account.

(4 p.m. ET)

You will not be able to
exercise your stock
options.

* date assumption based on current anticipated closing date of the Transaction

Suggested Actions

Stockholders and equity award holders are strongly encouraged to review their account now and take any necessary action prior to the implementation of any restriction.

For stockholders, please also review your dividend election on shares of Leidos common stock held at Computershare. You may change your dividend election up to 4 p.m. Eastern Daylight Time (ET) on August 15, 2016.

For US stockholders, due to the size of the special dividend, **estimated tax payments** may be required to avoid penalties for taxes due on this income. Please consult your tax advisor regarding the implications of the special dividend on your personal tax situation.

Contact

Account information is available online at www.computershare.com/leidos. If you have any questions, please contact Computershare at **855-894-5367 (press 9)** or **201-680-6961**.

Cautionary Statement Regarding Forward Looking Statements

The forward looking statements contained in this document involve risks and uncertainties that may affect Leidos Holdings, Inc.'s (Leidos) operations, markets, products, services, prices and other factors as discussed in filings with the Securities and Exchange Commission (the SEC). These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental and technological factors. Accordingly, there is no assurance that the expectations of Leidos will be realized. This document also contains statements about the proposed business combination transaction between Leidos and Lockheed Martin Corporation (Lockheed Martin), in which Lockheed Martin will separate a substantial portion of its government information technology infrastructure services business and its technical services business, which have been realigned in the Information Systems & Global Solutions (IS&GS) business segment, and combine this business with Leidos in a Reverse Morris Trust transaction (the Transaction). Many factors could cause actual results to differ materially from these forward-looking statements with respect to the Transaction, including risks relating to the completion of the transaction on anticipated terms and timing, including anticipated tax treatment, the dependency of any split-off transaction on market conditions and the value to be received in any split-off transaction, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the new combined company's operations, Leidos ability to integrate the businesses successfully and to achieve anticipated synergies, and the risk that disruptions from the Transaction will harm Leidos' business. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business

disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Leidos' consolidated financial condition, results of operations or liquidity. For a discussion identifying additional important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see Leidos' filings with the SEC, including the prospectus included in the registration statement on Form S-4, the prospectus filed by Leidos pursuant to Rule 424(b)(3), as well as

Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors in Leidos' annual report on Form 10-K for the period ended January 1, 2016, its Quarterly Reports filed on Form 10-Q, and such other filings that Leidos makes with the SEC from time to time, which are available at <http://www.Leidos.com> and at the SEC's web site at <http://www.sec.gov>. Leidos assumes no obligation to provide revisions or updates to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Additional Information and Where to Find It

In connection with the proposed transaction, Abacus Innovations Corporation, a wholly-owned subsidiary of Lockheed Martin created for the Transaction (Splitco), has filed with the SEC, and the SEC declared effective on July 11, 2016, a registration statement on Form S-4 and Form S-1 containing a prospectus, and Leidos has filed with the SEC, and the SEC declared effective on July 11, 2016, a registration statement on Form S-4 containing a prospectus.

INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE REGISTRATION STATEMENTS/PROSPECTUSES AS WELL AS ANY OTHER RELEVANT DOCUMENTS, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PARTIES AND THE PROPOSED TRANSACTION.

Investors and security holders may obtain a free copy of the prospectuses and other documents filed with the SEC by Lockheed Martin, Splitco and Leidos at the SEC's website at <http://www.sec.gov>. Free copies of these documents and each of the companies' other filings with the SEC, may also be obtained from Leidos' website at <http://www.Leidos.com>.

Non-Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.